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UNCLAS HARARE 000873

SIPDIS

SENSITIVE

STATE FOR AF/S  
NSC FOR SENIOR AFRICA DIRECTOR JFRAZER  
USDOC FOR 2037 DIEMOND  
PASS USTR FLORIZELLE LISER  
TREASURY FOR ED BARBER AND C WILKINSON  
STATE PASS USAID FOR MARJORIE COPSON

1E. O. 12958: N/A

TAGS: ECON EPET PGOV EINV ETRD ZI

SUBJECT: Fuel Crisis Intensifies

11. (U) Summary: Zimbabwe's fuel supply continues to worsen. Most motorists are grounded, importing their own or buying it at exorbitant black market prices. End Summary.

12. (SBU) Even though the GOZ has increased the leaded fuel price 6-fold since February, it is still unable to pay a diminished subsidy of around 25 percent. Official fuel imports have dwindled to a trickle. The Caltex (ChevronTexaco) rep responsible for Harare told us he has been receiving 20-25,000 liters/day, while one of his 20 stations could easily sell 100,000 liters. Some Zimbabweans now leave cars 2 weeks in fuel lines. At the same time, there is a burgeoning black market for fuel, with prices presently around US\$.85 and occasionally reaching US\$ 1.40 per liter - 3-to-5 times the official price.

13. (SBU) The Caltex rep claimed the GOZ's latest scheme - still unannounced - will limit motorists to 30 liters per "fill-up." While this will not add to the country's fuel supply, it will spread it more broadly. It will also make it possible for service stations that receive a delivery of, say, 5,000 liters to count off the 167 cars in line that will get their share, then inform the other drivers that they are out-of-luck. (Many Zimbabweans are frustrated spending hours/days in fuel lines only to watch the pump run dry just before their turn. Occasionally, violence ensues.) The 30-liter limit will also prevent drivers from outfitting cars with ultra-expanded tanks. (The Caltex rep witnessed one small truck with a 600-liter tank - quite an engineering feat!)

Comment

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14. (SBU) Flummoxed Zimbabweans don't seem to have a clue why they are paying Z\$ 1200-2000 for the same liter that cost Z\$ 74 as recently as November when Libya was giving it away. Locals who earn Z\$150,000 (US\$100)/month and consider themselves solidly middle-class are just beginning to realize they lack the wherewithal to own cars, even use public transport in excess. The speed of their downward mobility is dizzying.

Sullivan